

The United States responded with generous and far-sighted leadership, and must be given credit for making possible the remarkable recovery and growth of war-ravaged economies. Thanks to the wealth and far-sighted generosity of the United States, the international economic machinery established at the close of the War proved remarkably successful. In contrast to the disastrous period of the thirties, the world experienced the most rapid and sustained expansion of international trade that it had ever known, and the principal beneficiary was the United States itself. Canada played its part in the reconstruction of the post-war world, acting generously like the United States, in the enlightened pursuit of its own self-interest.

Within the international monetary and trade system, the most notable developments have been the emergence of a more cohesive Europe and of Japan as major trading and financial centres in many ways comparable in importance to the United States. This is the broad context in which the United States under President Nixon has endeavoured to chart new directions for United States policy, adapted to the new realities.

The Nixon Doctrine, presaging a lower world profile for the United States, takes account of new trading patterns and new power relationships. In the so-called "Western" world the United States is no longer a giant among mere mortals. The economic paramountcy of the United States will be challenged by the Europe of Ten which, with its associated states and special arrangements with former colonies, will encompass some 45% of the world's trade.

On the other side of the world is the economic miracle of Japan. Just as in the field of world politics a triangle of centres of power is emerging, the United States, the Soviet Union and China, so in the non-communist world economic leadership has now to be shared and co-ordinated by the big three, the United States, the Europe of Ten and Japan, perhaps with an assist from Canada, the fourth largest trading entity. The United States cannot escape the responsibility of leadership but it must now exercise its leadership in a world environment very different from that which prevailed only a few years ago.

Post-war prosperity has been built on two foundations: the generous and imaginative reconstruction policies of the United States, and the development of stable, liberal multi-lateral trading arrangements through such instrumentalities as the GATT and the OECD. If the developed nations are to continue prosperous and secure and if the developing countries are to be given a chance to achieve prosperity it will only be done by adequate development aid supported by continuing co-operative arrangements between trading nations.